

STATE OF UTAH
OFFICE OF THE ATTORNEY GENERAL

m/049/001



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December 29, 1999

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Ms. Mary Ann Wright
Associate Director of Mining
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

Re: In re Geneva Steel Co., U.S. District Court for the District of Utah Case No.
2:99cv-0077G and U.S. Bankruptcy Court for the District of Utah, Central
Division, Case No. 99-21130-GEC (Chapter 11)

Dear Mary Ann:

For your information about the status of the above matter, enclosed please find a copy of "Notice of Partial Withdrawal of Claim by the Utah Division of Oil, Gas & Mining and Amendment to Proof of Claim" (12/29/1999). As we recently discussed, this filing has been prompted by the Division's approval of the transfer of the Kiegley Quarry from Geneva Steel to Staker Paving.

Very truly yours,

Patrick J. O'Hara
Assistant Attorney General

Encl. Mr. Lowell P. Braxton
cc: Director
(w/encl) Division of Oil, Gas & Mining
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Mr. D. Wayne Hedberg
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DIVISION OF OIL, GAS & MINING

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH

In Re)	
)	NOTICE OF PARTIAL
)	WITHDRAWAL OF CLAIM BY
GENEVA STEEL COMPANY,)	THE UTAH DIVISION OF OIL,
)	GAS & MINING AND
Debtor & Debtor in Possession.)	AMENDMENT TO PROOF OF
)	CLAIM
Tax ID #93-0942346)	
)	
)	
)	Bankruptcy No. 99C-21130
)	
)	Chapter 11
)	
)	
)	
)	

The Division of Oil, Gas & Mining (the Mining Agency), an agency within the State of Utah's Department of Natural Resources, filed a Proof of Claim in this matter July 30, 1999, which is hereby incorporated by this reference (the Claim). The Claim was

in the total amount of \$1,688,500 for the environmental reclamation obligation under Utah state mining law for two separate mining properties called (a) the Iron Mountain Mine, consisting of about 417.05 disturbed acres in Iron County, Utah (the Iron Mine) and (b) the Kiegley Quarry, consisting of about 400 disturbed acres in Utah County, Utah (the Quarry).

The Mining Agency's environmental regulatory reclamation requirements applicable to the Iron Mine and the Quarry are set forth in the Utah Mined Land Reclamation Act, Utah Code Ann. § 40-8-1 et seq. (1953, as amended), and the implementing administrative rules in the Utah Administrative Code at R647 et seq. (collectively, the Utah Minerals Program). The documents attached to the Claim, which describe said mining properties more particularly, show that Geneva Steel Company (Geneva), as of the date of that filing, had a reclamation obligation on the Iron Mine in the estimated amount of \$1,073,000 and a reclamation obligation on the Quarry in the estimated amount of \$615,500.

No party in interest filed a written objection to the Claim in the manner specified in Rule 3007 of the Federal Rules of Bankruptcy Procedure (FRBP), so the Mining Agency enjoys the right under Rule 3006, FRBP, without the need to have a hearing and without the need to secure a prior court order, to file this Notice of Partial Withdrawal of the Claim.

After the Mining Agency filed its Claim against Geneva, the Debtor in Possession at Geneva sought and obtained approval of this Bankruptcy Court to transfer the Quarry

from the Geneva estate to a third party named Staker Paving (the Buyer). For purposes of the Utah Minerals Program, the Mining Agency ultimately approved the transfer of the Quarry from Geneva to the Buyer. To secure that approval from the Mining Agency, the Buyer posted its own replacement reclamation bond with the Mining Agency to cover the Buyer's reclamation obligation under the Utah Minerals Program for the Quarry. The new bond posted by the Buyer for the Quarry made it possible for the Mining Agency to release the reclamation bond for the Quarry previously posted by Geneva. The Iron Mine was not transferred to the Buyer with the Quarry, so the Iron Mine is still operated by Geneva.

The Mining Agency hereby withdraws only the part of its Claim under the Utah Minerals Program which pertains to the Quarry, and amends the Claim as follows:

1. In Paragraph 1 of the Claim, delete the handwritten words, "& the Kiegley Quarry".
2. In Paragraph 4 of the Claim, amend the handwritten entry of "\$1,688,500.00" to read, "\$1,073,000".
3. In Paragraph 5 of the Claim, amend the handwritten entry of "\$1,688,500.00" to read, "\$1,073,000".
4. In Paragraph 7 of the Claim, delete the handwritten words "& Ex. B".

The Mining Agency continues to assert its \$1,073,000 Claim arising under the Utah Minerals Program with regard to the Iron Mine, as set forth more particularly in Exhibit A attached to the Claim, so nothing herein shall be construed otherwise.

This partial withdrawal of the Claim pertains only to Geneva's reclamation obligations to the Mining Agency under the Utah Minerals Program at the Quarry. Therefore, this Notice does not withdraw, amend or modify claims pertaining to the Quarry, if any, which may be asserted against Geneva by agencies of the State of Utah other than the Mining Agency for liability and/or obligations, if any, separate from the obligations imposed by the Utah Minerals Program.

DATED this 29th day of December, 1999.

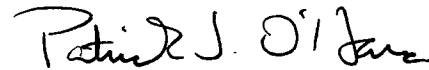
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CERTIFICATE OF SERVICE

I hereby certify I caused to be mailed by United States Mail, postage prepaid, on this 29th day of December, 1999 a true and correct copy of the foregoing "NOTICE OF PARTIAL WITHDRAWAL OF CLAIM BY THE UTAH DIVISION OF OIL, GAS & MINING AND AMENDMENT TO PROOF OF CLAIM", to the following:

Ralph R. Mabey, Esq.
Steven J. McCardell, Esq.
Kenneth L. Canon II, Esq.
LeBouef, Lamb, Greene & MacRae
Attorneys for Geneva Steel Co.
1000 South Main Street
Salt Lake City, Utah 84101



Patrick J. O'Hara